

31 members of the the Blue Dog Coalition signed a letter to Speaker Pelosi and Majority Leader Hoyer urging them to consider legislation to extend all of the 2001 income tax cuts contained in The Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L.#107-16).

September 15, 2010

The Honorable Nancy Pelosi
Speaker
U.S. Capitol
Washington, D.C. 20515

The Honorable Steny Hoyer
Majority Leader
U.S. Capitol
Washington, D.C. 20515

Dear Speaker Pelosi and Majority Leader Hoyer:

We urge you to consider legislation to extend all of the income tax cuts contained in The Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L.#107-16). In recent weeks, we have heard from a diverse spectrum of economists, small business owners, and families who have voiced concerns that raising any taxes right now could negatively impact economic growth.

Given the continued fragility of our economy and slow pace of recover, we share their concerns. We believe in times of economic recovery it makes good sense to maintain things as they are in the short term, to provide families and businesses the certainty required to plan and make sound budget decisions. Providing this certainty will give small businesses, the backbone of our economic recovery, confidence and stability.

While those in the highest income brackets comprise only two to three percent of American taxpayers, economists estimate that they are responsible for 25 percent of national consumer

spending. As 70 percent of our economy is driven by consumer spending, this is not the time to jeopardize further growth. It is also estimated that up to one-third of high-income taxpayers are small business owners, our nation's job creators and the backbone of our economic recovery.

All tax cuts can be extended without violating statutory PAYGO. Paying for a short-term extension of the high-income brackets is possible without accruing new debt by using existing surplus funds identified on the PAYGO scorecard, while the PAYGO law already allows for the middle class tax cuts to be extended. This method protects all taxpayers by not adding further to our national debt.

This Congress has taken significant steps to create an environment for the private sector to create jobs. GDP has moved from shrinking at a rate of more than six percent a year to four quarters of sustained growth. After 18 months of private sector job losses, we have seen eight straight months of private sector job growth creating more than 760,000 jobs. Consumer spending is also trending in a modest positive direction. However, our economy is still recovering and decisive action needs to be taken to assist the recovery moving forward.

We urge quick passage of legislation to extend the tax cuts so that American families and businesses have the certainty required to plan and make informed decisions. The sooner we act, the sooner our nation's economy will benefit.

We look forward to working with you to extend all income tax rates.

Sincerely,

Rep. Jim Matheson
Rep. Gary Peters
Rep. Melissa Bean
Rep. Glenn Nye
Rep. Michael McMahon
Rep. Lincoln Daivs
Rep. John Salazar
Rep. Brad Ellsworth
Rep. Dan Boren

Rep. Jim Himes
Rep. John Barrow
Rep. Ron Klein
Rep. Zack Space
Rep. Jason Altmire
Rep. Allen Boyd
Rep. Jim Costa
Rep. Harry Mitchell
Rep. Walt Minnick
Rep. Travis Childers
Rep. Harry Teague
Rep. Rick Boucher
Rep. Mike Ross
Rep. Sanford Bishop
Rep. Stephanie Herseth-Sandlin
Rep. Jim Marshall
Rep. Ann Kirkpatrick
Rep. Earl Pomeroy
Rep. Mike McIntyre
Rep. Frank Kratovil
Rep. Jim Cooper
Rep. Joe Donnelly